

LONG FORM APPROVAL NOTICE

BMW Settlement Program in Quebec

FINAL SETTLEMENT APPROVAL NOTICE IN THE CASE OF *PASAJE v. BMW CANADA INC.*, SUPERIOR COURT OF QUEBEC, DISTRICT OF MONTREAL NO. 500-06-000915-187

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

I. THE SETTLEMENT CLASS:

On June 14, 2021, the Court approved the settlement reached between the parties with respect to the class action commenced by Zully Liliana Salazar Pasaje (“Applicant”) against BMW Canada Inc. (“BMW”) before the Superior Court of Quebec for the judicial district of Montreal (the “Court”) under docket number 500-06-000915-187 on behalf of the Settlement Class defined in the parties’ Settlement Agreement as:

All natural or legal persons, except for Excluded Persons, who were resident of the Province of Quebec and who owned or leased a BMW Vehicle subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, including certain BMW 1 Series (models 2008 to 2012), BMW 3 Series (models 2006 to 2011), BMW 5 Series (models 2006 to 2011), BMW X3 (models 2007 to 2011), BMW X5 (models 2007 to 2010) and BMW Z4 (models 2006 to 2011), on the date of the applicable Recall Campaign(s).

This Notice provides important information concerning how Settlement Class Members can now submit their claims and receive Compensation. Please read section IV below titled “HOW TO QUALIFY FOR COMPENSATION”.

Excluded from the Settlement Class are: (i) BMW, its officers, directors, and employees, its affiliates and affiliates’ officers, directors, and employees, its distributors and distributors’ officers, directors and employees; (ii) BMW Retailers and BMW Retailers’ officers and directors; (iii) persons or entities who have previously executed a release of BMW that includes a claim relating to any applicable Recall Campaign(s); and (iv) all persons or entities who otherwise in the Settlement Class timely and validly opt out of the Settlement Class as described in this notice (“Excluded Persons”).

The Settlement Class is further divided into two Sub-classes: (A) the PCV Blow-by Heater Sub-class and (B) the Blower Regulator Sub-class, as more fully described in this notice.

A. PCV Blow-by Heater Sub-class

Except for Excluded Persons, if you owned or leased a Vehicle that was subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and were resident of the Province of Quebec on the date of the applicable Recall Campaign (respectively, September 28, 2017 and April 5, 2019), you are a member of the PCV Blow-by Heater Sub-class. These Vehicles include certain:

- BMW 1 Series (models 2008 to 2011);
- BMW 3 Series (models 2006 to 2011);
- BMW 5 Series (models 2006 to 2011);
- BMW X3 (models 2007 to 2011);
- BMW X5 (models 2007 to 2010); and
- BMW Z4 (models 2006 to 2011).

B. Blower Regulator Sub-class

Except for Excluded Persons, if you owned or leased a Vehicle that was subject to Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, and were resident of the Province of Quebec on the date of the applicable Recall Campaign (respectively, November 30, 2017 and August 7, 2019), you are a member of the Blower Regulator Sub-class. These Vehicles include certain:

- BMW 3 Series (models 2006 to 2011); and
- BMW 1 Series (models 2008 to 2012).

Except for Excluded Persons, if you owned or leased a BMW 3 Series (models 2006 to 2011) or a BMW 1 Series (models 2008 to 2011), you may be a member of both the PCV Blow-by Heater Sub-class and the Blower Regulator Sub-class.

II. SUMMARY

The Applicant alleged that BMW manufactured and sold certain Vehicles that were subject to a safety defect and misrepresented that they were safe or failed to adequately disclose their defective nature. These Vehicles were the subject of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, which were voluntarily launched by BMW. BMW completely denies any and all wrongdoing or liability. The Applicant and BMW negotiated and ultimately agreed to the proposed Settlement Agreement after counsel for all parties extensively evaluated the facts and law relating to this case, and took into account a variety of factors such as the burdens and expense of the lawsuit, and the risk and uncertainty of litigation.

Members of the Settlement Class, excluding those who opted out, may qualify for Compensation under the settlement.

III. WHAT THE SETTLEMENT PROVIDES

The settlement provides that the Credits and monetary relief identified below will be available to the Settlement Class Members (the "Compensation"). The Compensation will only be given to one owner or lessee per Vehicle as defined in the Settlement Class.

Credits are redeemable for any services, goods and merchandise available at a BMW Retailer in Canada, are freely transferable, are stackable (i.e. multiple Credits can be used together) and shall never expire.

Under the terms of the settlement, certain conditions may lead to Settlement Class Members with valid claims receiving less than the amount claimed. For example, the settlement provides for caps with respect to Out-of-Pocket Expenses and, in compliance with the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*, CQLR c. R-2.1, r. 2, any monetary Compensation paid to Settlement Class Members will be reduced of 2% and an amount totalizing all said reductions shall be remitted to the *Fonds d'aide aux actions collectives*.

1. PCV Blow-by Heater Sub-class

i. Credits with a cash value of \$40.00

All members of the PCV Blow-by Heater Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation.

ii. Replacement costs of the PCV Blow-by Heater and Out-of-Pocket Expenses (PCV Blow-by Heater Sub-class A)

The members of the PCV Blow-by Heater Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$177.00 representing the replacement costs of the PCV Blow-by Heater as well as an amount covering Out-of-pocket Expenses, up to a maximum of \$750.00.

An Adverse Thermal Event is any adverse thermal event, including heat generated by a high resistance in the circuit which may cause melting and the potential ignition of mechanical parts and/or fire, caused by overheating of the PCV Blow-By Heater, as described in Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, of one of the affected Vehicles, which caused material damage to said Vehicle.

Out-of-Pocket Expenses are out-of-pocket expenses incurred by Settlement Class Members for the uninsured repair costs of a Vehicle damaged by an Adverse Thermal Event.

iii. Credits with a cash value of \$50.00 (PCV Blow-by Heater Sub-class B)

The members of the PCV Blow-by Heater Sub-class who had access to inside parking but parked their Vehicle outside as a result of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170 will be entitled to claim a Credit with a cash value of \$50.00.

2. Blower Regulator Sub-class

i. Credits with a cash value of \$40.00

All members of the Blower Regulator Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation.

ii. Replacement costs of the Blower Regulator and Out-of-Pocket Expenses (Blower Regulator Sub-class A)

The members of the Blower Regulator Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$141.00 representing the replacement costs of the Blower Regulator as well as an amount covering Out-of-Pocket Expenses, up to a maximum of \$150.00.

An Adverse Thermal Event is any adverse thermal event, including heat generated by a high resistance in the circuit which may cause melting and the potential ignition of mechanical parts and/or fire, caused by overheating of the Blower Regulator, as described in Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, of one of the affected Vehicles, which caused material damage to said Vehicle.

Out-of-Pocket Expenses are out-of-pocket expenses incurred by Settlement Class Members for the uninsured repair costs of a Vehicle damaged by an Adverse Thermal Event.

B. Other Payments

The settlement also provides that BMW will pay the fees, costs and disbursements of Class Counsel approved by the Court.

IV. HOW TO QUALIFY FOR COMPENSATION

The Credits with a cash value of \$40.00 will be automatically issued and sent by regular mail to Settlement Class Members within sixty (60) days following the date at which the Approval Judgment became final, i.e. by no later than September 17, 2021, at their last known address of residence as identified from the customer databases maintained by BMW.

In order to qualify to and receive the monetary relief as well as the Credits with a cash value of \$50.00, where applicable, a Settlement Class Member must:

- a) Fully complete a Claims Form (available on the Settlement Website: <https://www.QCpcvregsettlement.ca>) in which he/she/it confirms the facts applicable to his/her/its situation qualifying him/her/it as a member of the sub-class(es) in relation to which Compensation is claimed;
- b) Solemnly declares under penalty of perjury that the information provided therein is true and accurate; and
- c) Submit, within the Claims Period, the fully completed Claims Form along with satisfactory Proof of Eligibility via the Settlement Website.

In the event a Settlement Class Member is entitled (or purports to be entitled) to receive Compensation in relation to more than one Vehicle, the Settlement Class Member must file one Claims Form per Vehicle along with the required Proof of Eligibility within the Claims Period.

Settlement Class Members will be able to submit a claim for Compensation for a period of sixty (60) days. The Claims Period begins on September 17, 2021 and ends on November 16, 2021 (i.e. the Claims Deadline).

Settlement Class Members will have timely filed their Claims Form and Proof of Eligibility so long as they are received by the Claims Administrator on or before the Claims Deadline.

Where applicable, in order to receive any Compensation from the settlement, a Settlement Class Member must have provided valid mailing and/or email addresses and have a bank account capable of receiving payments via cheques or Interac transfers, as cheques and Interac transfers are the only methods through which monetary compensation will be paid, and as Credits with a cash value of \$50.00 will be sent by email.

V. FURTHER INFORMATION

A complete copy of the Settlement Agreement, and detailed information on how to obtain or file a Claims Form are available on the Settlement Website at <https://www.QCpcvregsettlement.ca>.

The law firm representing the Plaintiff and the Settlement Class is the following:

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The Claims Administrator is Collectiva Class Actions Services Inc.

BMW IS NOT RESPONSIBLE FOR THE ADMINISTRATION OF THE SETTLEMENT OR THE DISTRIBUTION THE MONETARY OR CREDIT RELIEF. PLEASE CONTACT CLASS COUNSEL OR THE CLAIMS ADMINISTRATOR - NOT THE COURT OR BMW'S COUNSEL - FOR FURTHER INFORMATION.

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

This notice has been approved by the Court.